

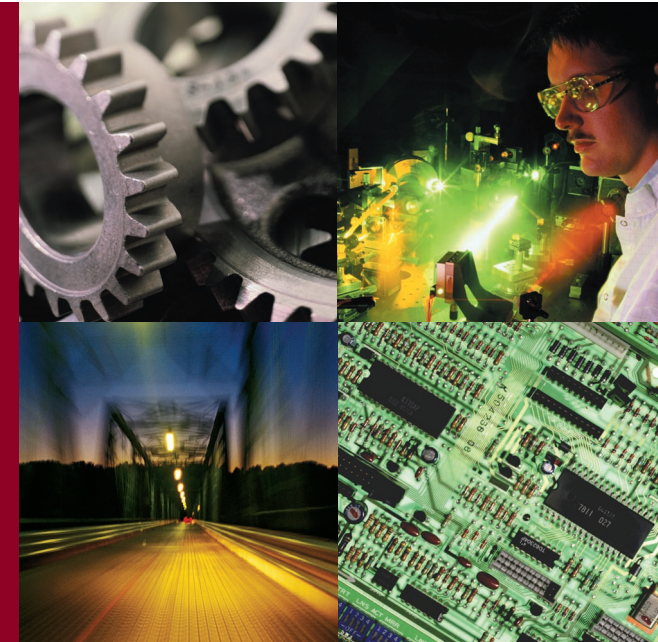
California Infrastructure and Economic Development Bank (I-Bank)

The I-Bank is a State of California financing authority that promotes the economic growth, quality of life and revitalization of California communities through low-cost financing of infrastructure and economic development projects. The I-Bank's programs include the *Infrastructure State Revolving Fund Program*, which provides low-cost, long-term financing to local governments for a variety of public infrastructure projects, and the *Revenue Bond Financing Program*, which provides tax-exempt Industrial Development Revenue Bond financing to qualified manufacturing companies, tax-exempt 501(c)(3) Revenue Bond financing to nonprofit corporations, and other tax-exempt revenue bond financing to public agencies.

This brochure explains Industrial Development Revenue Bond financing. For more information on the I-Bank, please see our website at www.ibank.ca.gov.



Low-Cost Financing for Manufacturing and Processing Companies



Industrial Development Revenue Bonds



California Infrastructure and
Economic Development Bank

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Economic Development Bank



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What are Industrial Development Bonds (IDBs)?

IDBs are tax-exempt securities issued by a governmental entity to provide money for the acquisition, construction, rehabilitation and equipping of manufacturing and processing facilities for private companies. IDBs can be issued by the State through the I-Bank, local Industrial Development Authorities, or by Joint Powers Authorities.

General IDB Eligibility Requirements

- **Manufacturers and Processors Only** — the bonds must be used to finance manufacturing or processing facilities and/or equipment.
- **\$10 Million Limit** — capital expenditures of the borrower, including the bond proceeds, cannot exceed \$10 million in the public jurisdiction in which the project is located during the six-year period beginning three years prior to the issuance date of the bonds and ending three years after the issuance date.
- **Public Benefit** — the project must meet established public benefit criteria, including the creation of new jobs.
- **Letter of Credit** — the borrower must secure a letter of credit from a bank with a minimum long-term credit rating of “A.”

Benefits of IDB Financing

- **Low Interest Rates** — the all-in annualized cost for most borrowers is generally 20% to 35% below conventional alternatives.
- **Long-Term Maturity** — the maturity of an IDB will typically be longer than conventional financing, often up to 30 years.
- **Comprehensive Funding** — the funds can be used for construction and take-out to finance land, buildings and equipment.
- **No Pre-Payment Penalty.**

The IDB Process

The IDB financing process can generally be completed within 150 days. The I-Bank staff and a financing team, which typically consists of an underwriter, bond counsel and financial advisor, will assist the applicant through each stage of the process.

How to Apply

Applications are accepted on a continuous basis. Additional information and applications may be obtained from the I-Bank's website located at www.ibank.ca.gov, or by calling 916.322.1399.

Disclaimer
Nothing contained in this brochure should be construed or relied upon as legal advice. Instead, this brochure is intended to serve as an overview of the general subject of the use of tax-exempt bonds by manufacturing companies, from which better-informed requests for advice, both legal and financial, can be formulated.

